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Secrétariat du Conseil du Trésor du Canada
Canada

Public Service Management Insurance Plan document

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Public Service Management Insurance Plan document

From Treasury Board of Canada Secretariat

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1. Introduction

The Public Service Management Insurance Plan (PSMIP) provides Public Service employees excluded from collective bargaining with group life insurance, accidental death and dismemberment insurance, dependants' insurance and long-term disability insurance.

2. Authorities

2.1 Legislative and regulatory

- Financial Administration Act;

- Public Service Management Insurance Directives made by TB 815000 of November 1, 1990, as amended from time to time. (Appendix A to this chapter).

2.2 Administration

2.2.1 The insurer

The PSMIP is underwritten by a group of insurance companies, headed by Industrial Alliance Insurance and Financial Services Inc., hereafter known as the insurer.

The Insurer evaluates Statements of Health, adjudicates claims for benefits, receives and invests premiums, reports on the financial and underwriting experience of the Plan to the Board of Trustees, and responds to matters raised by the Trustees.

2.2.2 Board of Trustees

The plan is administered by a Board of Trustees composed of senior government officials appointed by the Treasury Board. The Board of Trustees may, with the concurrence of the Treasury Board, enter into agreements to amend, modify or terminate the contract of insurance with the insurer.

The Board has a continuing responsibility to review periodically the financial operations of the plan, to ensure that it is on a sound financial basis and to consider problems which arise out of the administration and adjudication of claims.

The Board of Trustees communicates annually to members on the administration and financial affairs of the plan. Copies of the report are forwarded to the employing departments and agencies for distribution to members of the plan.

2.2.3 Treasury Board Canada

Treasury Board Canada supports the Board of Trustees by:

- ensuring that the administrative machinery and staff essential to the operation of the Plan are in place within the Public Service;
- considering recommendations made by the Board of Trustees for amendments to the Plan and for changes to the financial arrangements to the Plan such as premium rate revisions; and
- providing the Board of Trustees with the services of the Secretary and the staff of the Income Protection Policies Group of the Secretariat.

2.2.4 Personnel offices

Detailed administration is carried out by departmental officers, in the certification of eligibility to join and the effective date of eligibility, in counselling employees on all aspects of the Plan, and in coordinating the processing of application and claim forms.

2.2.5 Government Services Canada

2.2.5.1 Superannuation Branch

The Superannuation Branch is responsible for several aspects of the day to day administration of the Plan including:

- providing information and documentation to the Insurer and Personnel Offices in the membership application and benefits claims processes;
- auditing of application cards and premiums;
- issuing Certificates of Insurance;
- providing advisory and information services.

2.2.5.2 Paying offices

Paying Offices are responsible for all actions relating to the commencement, adjustment or cessation of premium deductions and for remitting and reporting on premium deductions to the Insurer.

2.2.5.3 Compensation Services Branch

The Compensation Services Branch is responsible for coordinating the implementation of new or amended insurance policies, developing administrative policies, and developing and maintaining the Insurance Administration Manual (see Paragraph 10.4 below).

3. General provisions

3.1 Types of insurance

The following types of insurance are available to eligible employees:

- Basic life insurance - life insurance in an amount based on the employee's annual salary;
- Supplementary life insurance - additional life insurance equal in amount to the Basic life insurance;
- Accidental death and dismemberment (AD & D) insurance - obtainable in units of $25,000 up to a maximum of ten units;

- Dependants' insurance - Life and AD & D insurance on the spouse and/or dependent children of the employee in fixed amounts;
- Long-term disability (LTD) insurance - providing income in cases of prolonged total disability where paid sick leave credits have expired.

3.2 Membership

Membership in the plan is open to both full-time and part-time employees, as defined below:

- a "full-time employee" means a person who is assigned to work an average of at least 30 hours per week (in other words, a person eligible to contribute under the Public Service Superannuation Act (PSSA));
- a "part-time employee" means a person who is assigned to work more than one-third of the normally-scheduled full-time hours for his or her occupational group, but less than 30 hours per week.

Membership in the plan is optional for eligible employees who became employed in the Public Service prior to the applicable effective date and have remained continuously employed since that date.

For eligible employees who entered the Public Service on or after the applicable effective date, LTD insurance is compulsory, while the other types of insurance are optional.

In any event, an employee must enrol for Basic life insurance in order to be eligible for Supplementary life, AD & D or Dependants' insurance.

The optional life insurance portions are separate from and in addition to the Supplementary Death Benefit (SDB) insurance provided under Part II of the PSSA or any life insurance coverage provided under a plan sponsored by an employee organization or public service union.

3.3 Effective date

The term "effective date" is specifically defined for the purpose of determining the conditions of membership in the PSMIP. Under the PSMIP, "effective date" means:

- with respect to employees of any board, commission, corporation or other portion of the Public Service of Canada specified in Parts I and II of Schedule I of the Public Service Management Insurance Directives, the date on which it is so specified;
- with respect to part-time employees, September 1, 1982; and
- with respect to all other employees, November 1, 1970.

Note: The following paragraphs describe the provisions of the plan other than those specific to the LTD insurance portion. Chapter 3-4 of this volume contains information applicable only to LTD insurance, where its provisions differ from the basic provisions of the PSMIP.

4. Specific provisions

4.1 Eligibility

The following persons are eligible to join the plan:

- any person appointed by the Governor in Council, except a person who is provided by another authority with types of insurance similar to any of those available under the PSMIP;
- a person identified by the Treasury Board, or by a separate employer, as a person employed in a managerial or confidential capacity;
- a person employed by or under the Public Service Staff Relations Board;
- a person appointed pursuant to Section 39 of the Public Service Employment Act as a member of a Minister's exempt staff;
- a person employed in a managerial or confidential capacity in a participating agency listed in Schedule I of the Public Service Management Insurance Directives;
- a person employed in a portion of the Public Service of Canada listed in Part III of Schedule I of the Directives.

The following persons are eligible to join as associate members:

- the Governor General;
- Lieutenant Governors;
- Members of the House of Commons;
- Members of the Senate under 75 years of age;
- Judges subject to the Judges Act (except for LTD insurance).

Associate members enjoy the same status with respect to contributions and benefits as do regular members.

4.2 Ineligible employees

No employee is eligible to join the PSMIP if he or she is:

- an employee locally engaged outside Canada;
- a seasonal employee;

- assigned to work one-third or less of the normally-scheduled full-time hours of work for his or her occupational group; or
- eligible to join the Disability Insurance Plan.

4.3 Dates of eligibility

Eligibility is immediate, if the employee is appointed for an indeterminate period, or for a term greater than six months. Employees appointed for terms of six months or less are eligible to participate only after completion of six months of continuous employment in the Public Service.

Persons employed in a managerial or confidential capacity are considered to have been so identified by the Treasury Board:

- immediately, in cases where the previous incumbent of the position was so identified; or
- on the tenth working day following the date on which the department proposes the exclusion of a position to the Treasury Board, in cases where the position is newly created or new functions have been assigned to an existing position.

4.4 Acting assignments

The policy concerning the treatment of employees who are performing management or confidential duties on an acting basis was still being developed at the date this chapter was printed. When the new policy is finalized, it will be announced in a Treasury Board circular. A revision to this page of the manual will be attached to the circular.

4.5 Commencement of coverage and application procedure

In all cases, an employee must submit a formal application in order to join the optional insurance portions of the plan. If the application is not received by the personnel office within two months of the employee's first becoming eligible, a statement of health satisfactory to the Insurer must be submitted (see paragraph 4.7 below).

Insurance coverage commences on the latest of the following dates:

- the date of becoming eligible for membership (see Dates of eligibility above);
- the date the personnel officer receives a written application for insurance, where the application is submitted within two months of becoming eligible;
- the first of the month following the date the personnel officer receives a written application for insurance, where the application is submitted more than two months

after the employee becomes eligible, and is accepted by the insurer. Where insurance coverage is declined by the insurer, any premiums already deducted from the employee's salary will be refunded.

In cases where employees have coverage under another employee organization plan and the coverage is paid beyond the normal effective date of coverage under the PSMIP, they may either delay the start of insurance premiums under the PSMIP until their coverage under the other plan has expired, or commence insurance under the PSMIP immediately, subject to the provision that any LTD benefits which become payable during the period of dual coverage will be reduced by any disability benefits payable under the other organization plan. Where a member elects to delay coverage under the PSMIP, application must still be made within two months of becoming eligible in order to avoid the submission of a statement of health (see paragraph 4.7 below).

Members who select the second option of enrolling in the PSMIP while retaining their existing coverage must pay full PSMIP premiums during the period of dual coverage.

Administrative procedures for the enrolment of employees in the plan are contained in the Insurance Administration Manual, and bulletins, issued by the Compensation Directorate, Government Services Canada.

4.6 Administrative errors affecting premium deductions

Where it is discovered that, as a result of administrative error, the deductions corresponding to the coverage for which the member has applied are not being made from the member's salary, the proper deductions should be commenced immediately. The paying office should also be instructed to pick up the outstanding premiums retroactive to January 1 of the year in which the error is discovered, or the date on which deductions should have commenced, whichever date is more recent. The retroactive deductions should be made over a period equal to the period for which collection is being made, that is, by "doubling up" for as long as necessary.

4.7 Statements of health

For certain coverage, a statement of health must be submitted with the employee's application:

- a statement of health is always required for Supplementary life insurance;
- a statement of health is also required for Basic life insurance and Dependants' insurance in cases where the application is received more than two months after the date the employee or dependants first became eligible.

In these instances, the granting of coverage is dependent on the insurer's judgement of the insurability of the employee, based on the statement of health and any supplementary medical information requested and supplied. It is therefore essential that each employee be informed of his or her opportunity to join the plan immediately upon becoming eligible.

When the insurer reviews applications for life insurance requiring satisfactory evidence of insurability, it determines whether or not the applicant has any medical problems or physical characteristics, such as obesity, that, according to underwriting statistics, would increase the probability that the person might either have a shorter life span than normal, or become totally disabled while insured. The increased probability of either an early death, or of total disability, would indicate a greater likelihood that the plan would incur costs in respect of the applicant, through the payment of death benefits in the former case, and through waiver of premium for the duration of total disability in the latter.

If it appears that the applicant presents a standard risk, that is, his or her life and health expectancy are within normal limits according to the standard underwriting tables, then the insurer approves the application. If it appears that the applicant's life expectancy or health expectancy could be significantly less than normal, the applicant is considered to be a non-standard risk and the application is denied.

4.8 Changes in coverage or cessation of eligibility

While eligible, a member of the plan may amend or cancel his or her coverage under the various portions of the plan other than the compulsory LTD portion. However, if a member cancels Basic life insurance, insurance under all other portions of the plan, other than LTD, ceases as well.

Where a member of the plan is no longer in an excluded position, or joins an employer which does not participate in the plan, the person may retain membership as long as he or she remains employed in any position in the Public Service as defined under the PSSA. An employee who joins a non-participating employer must make the necessary arrangements for remittance of the required premiums directly to the Insurer.

Where a member does become represented in the collective bargaining process, he or she will be eligible to apply for membership in the Disability Insurance (DI) Plan. If a member in this position does decide to switch his or her membership from LTD to the DI Plan, he or she must simultaneously cancel all life and disability insurance under the PSMIP.

Termination of a member's insurance occurs on the earliest of three dates:

- the date the member ceases to be employed in the Public Service;

- the last day of the month following the month in which the personnel officer receives a cancellation application; or
- the date of termination of the policy. In this instance, benefits payable as a result of an event occurring prior to the termination of the policy will be paid.

4.9 Waiver of premium

A member who becomes totally disabled may be entitled to the continuation of his or her insurance under the PSMIP without further premium payments providing he or she is, or becomes, eligible for LTD benefits, or would, in the opinion of the insurer, be so eligible if he or she belonged to the LTD portion of the plan. The waiver will continue throughout periods of rehabilitative employment in the Public Service or undertaken in the course of a rehabilitation program approved by the Insurer. The member may apply directly to the insurer at the address in Section 6.5 below for a waiver of premium.

If the application is approved, no further premiums will be required until age 65, when his or her insurance will terminate, as long as the member remains totally disabled in the opinion of the Insurer.

4.10 Coverage while on leave without pay

The following paragraphs concerning leave without pay apply to all portions of the plan other than LTD insurance, which is treated in Chapter 3-4 of this volume.

4.11 Leave without pay for reasons of illness or injury

As mentioned in section 4.9 above, a member who is on leave without pay by reason of illness or injury may apply for waiver of premium.

If the application is approved, no further premiums will be required until age 65, when his or her insurance will terminate, as long as the member remains totally disabled in the opinion of the Insurer. If the application is denied, the member must pay premiums directly to the Insurer if he or she wishes to continue coverage while on leave without pay.

4.12 Other leave without pay

In all other cases of leave without pay, it is the member's responsibility to send quarterly premiums to the Insurer in advance. This applies in respect of any month in which there is no salary payable or insufficient salary for a premium deduction to be made. If premiums are not paid directly to the Insurer, coverage will lapse and a new application, including

evidence of insurability, must be submitted on return to duty. Members on leave without pay must include in their premium remittance, and clearly identify, the amount of provincial sales tax payable, if any.

It is the responsibility of the Personnel Office to advise the employee in writing:

a. of the requirement to make direct payments in advance to the insurer;
b. of the amount to be paid, including the amount of provincial sales tax payable, if any;
c. that payment must be made in the form of a cheque or postal money order made payable to "Industrial Alliance Insurance and Financial Services Inc.";
d. of the address of the insurer;

   Industrial Alliance Insurance and Financial Services Inc.
   Group Administration Department
   522 University Avenue
   Toronto, Ontario
   M5G 1Y7

e. of any changes in insurance and related premiums resulting from changes in the deemed salary for PSMIP purposes during the period of leave without pay; and
f. if applicable, of the waiver of premium provision.

4.13 Coverage on return to duty from leave without pay

On return to duty after any period of leave without pay, deductions resume automatically, unless coverage has lapsed during the period of leave. If coverage has lapsed and a member who is still eligible wishes to resume coverage, evidence of insurability satisfactory to the insurer is required.

4.14 Employee-paid insurance

In addition to LTD insurance which is treated in Chapter 3-4 of this volume, the following types of employee-paid insurance are available under the plan:

- Basic life insurance;
- Supplementary life insurance;
- AD & D insurance; and
- Dependants' insurance.

The features of each of these types of insurance are described in paragraphs 4.15 to 4.20 below.

4.15 Basic life insurance

Contributions and coverage for Basic life insurance are based on the member's annual salary rounded to the nearest $1,000. The definition of salary is the same as that used for the Supplementary Death Benefit under the PSSA.

For a part-time member, the "adjusted salary" is determined by reducing the full-time salary for his or her occupational group and level in proportion to the relationship his or her assigned hours of work bear to the normally-scheduled full-time hours of work for that group, then rounding this amount to the nearest $1,000 in accordance with the procedure described in the previous paragraph.

Changes in insurance coverage based on changes in salary because of annual increments, economic increases or promotions become effective on the date of the salary change. In the case of a retroactive salary change, coverage changes effective the first of the month following the month in which the change was authorized.

The basic amount of insurance is one year's "adjusted salary" up to age 65. On the first of the month following the 66th birthday, the basic amount becomes 90 per cent of one year's adjusted salary, 80 per cent of one year's adjusted salary one year later and so on. However, coverage will never be less than 10 per cent of one year's adjusted salary while a member is employed.

The monthly premium rates per $1,000 of the adjusted salary at which a member is insured are shown on the Public Service Management Insurance Plan (PSMIP) Premium Rates page.

4.16 Supplementary life insurance

Members who are insured for Basic life insurance may also elect to be insured for Supplementary life insurance. Supplementary life insurance provides an additional layer of insurance identical to that provided by Basic life insurance.

A STATEMENT OF HEALTH SATISFACTORY TO THE INSURER IS NEEDED FOR SUPPLEMENTARY LIFE INSURANCE NO MATTER WHEN APPLICATION IS MADE.

The premium for this insurance is based on the table shown on the Public Service Management Insurance Plan (PSMIP) Premium Rates page.

4.17 Accidental death and dismemberment (AD & D) insurance

Members who are insured for Basic life insurance may also be insured for AD & D

insurance. A statement of health is not required for this insurance.

The maximum principal sum under this benefit is $250,000 and is available in units of $25,000. Full-time members may select any number of units from one to ten. The maximum number of AD & D units is prorated for part-time members according to their assigned hours of work as follows:

Assigned weekly Hours available (one unit = $25K)	**Maximum AD&D**
less than 20	4 units
20 to 29	7 units
30 or more	10 units

Members who, through downward revision of their assigned hours, become subject to a lower maximum number of units will be allowed to retain any units they carry in excess of the new maximum.

For each unit the monthly premium is 10¢, regardless of age or sex.

The principal sum is payable, in addition to any other benefits payable under the PSMIP, in the event of the following losses sustained solely through violent and accidental means: life, both hands or both feet, sight of both eyes, one hand or one foot and sight of one eye, one hand and one foot, speech and hearing, quadriplegia (total and irreversible paralysis of all four limbs), paraplegia (total and irreversible paralysis of both lower limbs), and hemiplegia (total and irreversible paralysis of one arm and one leg on the same side of the body).

Three-quarters of the principal sum is payable in the event of the loss of one leg or one arm. One-half of the principal sum is payable in the event of the loss under the same circumstances of either hand or foot, speech or hearing or the sight of one eye. One-quarter of the principal sum is payable in the event of the loss of the thumb and index finger (of the same hand).

The complete and irreversible loss of the use of a limb resulting from an injury constitutes a loss for the purposes of this insurance.

Losses must be suffered within 90 days from the date of the accident. The total amount payable for all losses sustained in any one accident is limited to the principal sum.

4.18 Dependants' insurance

Members insured for Basic life insurance may also apply for Life insurance and AD&D insurance for their dependants. No statement of health is required provided the member applies within two months of first becoming eligible to join the plan, or of first acquiring the dependant.

A member may insure his or her spouse and/or dependent children under the Dependants' insurance portion of the PSMIP.

For the purposes of Dependants' insurance, a "spouse" is defined as:

a. a person who is married to the employee, or
b. a common-law partner, who has been cohabitating with the employee in a conjugal relationship for a period of at least one year.

Where, according to this definition, an employee has more than one spouse, the spouse for the purposes of Dependants' insurance will be the one most recently qualified in the opinion of the insurer at the time of claim.

A "dependent child" is defined as an unmarried child over the age of 14 days but not yet 21 years old (25 if a full-time student enrolled in a school or university) who is not employed on a regular, full-time basis and is dependent on the member for support.

The amounts of Dependants' insurance are:

- Life insurance — $5,000 on the life of the spouse and $2,500 on the life of each child. (On the first of the month following the member's 65th birthday, all amounts are reduced to $1,250.)
- AD&D insurance — A principal sum of $5,000 on the spouse and $2,500 on each child. (Again, the principal sum is reduced to $1,250 on the first of the month following the member's 65th birthday.)

The premium rates for Dependants' insurance are based on the member's age and sex (not of the spouse to be insured). The monthly premiums for the above benefits are shown on the Public Service Management Insurance Plan (PSMIP) Premium Rates page, regardless of the number of children.

4.19 Dependants' life insurance benefit

In the event of the death of an insured dependant from any cause whatsoever while insured, the amount of life insurance in force on the life of the dependant is paid to the member.

4.20 Dependants' accidental death and dismemberment insurance benefit

The proportions of the principal sum payable for a loss suffered by an insured dependant and the other conditions of insurance are identical to those of the AD&D insurance available to a member.

5. Employer-paid insurance under the PSMIP

5.1 Public Service managers

The Treasury Board has assumed the cost of providing certain insurance benefits under the PSMIP and the Public Service Health Care Plan (PSHCP) (see Chapter 2-4 of this volume) to members of the Executive Group and certain other groups. Following is a list of employees who are eligible to receive the Executive Group package of employer-paid insurance benefits:

Executive Group
General Executives (GX)
Executives (EX 1 to 5)
Other Senior-level Employees Excluded from Collective Bargaining
Lawyers (LA 2B, 3A, 3B & 3C)
Medical Officers (MD-MOF 4 & 5, MD-MSP 3)
Defence Scientists (DS 7A, 7B & 8)
Governor-in-Council Appointees
Deputy Ministers (DM 1 to 3)
GIC Group (GIC 1 to 11)
Ministers' Exempt Staff
Chiefs of Staff
Executive Assistants

Persons belonging to these groups, and certain others such as the Auditor General, the Chief Electoral Officer, the Commissioner of Official Languages and the Governor General, are hereinafter referred to as Public Service managers for the purposes of this chapter.

Employees who are acting in a management position in one of the categories listed above are eligible to apply for regular coverages under the PSMIP. The level of coverage is also based on their substantive position. Eligibility commences on the effective date of the acting appointment, or on the date on which the instrument of appointment is processed,

whichever is later. Their coverage is not employer-paid as are certain coverages for Public Service Managers and the employee is responsible for paying the requisite insurance premiums.

Public Service Managers are entitled to the following insurance benefits at the employer's expense, without application or satisfactory evidence of insurability:

- Basic life insurance - equal to twice their adjusted salary;
- AD & D insurance - ten units for a total amount of $250,000;
- Dependants' life and AD & D insurance - each in the amount of $5,000 for a spouse and $2,500 for each child; and
- Post-retirement life insurance - voluntary life insurance, equal to the adjusted final salary in the first year of retirement and decreasing by 25% annually to a minimum of 25% of adjusted final salary in the fourth year of retirement, for those Public Service Managers who retire with an immediate continuing pension benefit under the PSSA (an immediate annuity or an immediate annual allowance).

The age-related reductions for Basic life and Dependants' insurance described earlier in this chapter do not apply to employees covered under these lines of insurance at employer expense.

Persons entitled to the employer-paid insurance package can, at their option, add Supplementary life insurance, equal to their adjusted salary, at their own expense and subject to evidence of satisfactory health. Taken together with the government-paid Basic life insurance, this additional coverage would provide combined life insurance equal to three times the employee's adjusted salary.

A person's entitlement to the employer-paid insurance package becomes effective the later of the date of appointment or the date of the instrument of appointment to an eligible position. The appropriate charges to the employer and adjustments to the employee's premium deductions, where necessary, are made with effect from the first of the following month.

The monthly premium rates to be charged to the employer are as indicated in Schedule III to the Public Service Management Insurance Directives. It should be noted that, in the case of Basic life insurance, those rates apply to each $1,000 of insurance, and not to each $1,000 of salary.

6. Waiver of insurance

Those Public Service managers who are eligible to receive coverage under the PSMIP at the employer's expense and choose, for reasons of their own, to refuse this benefit, are required to complete a formal waiver of their entitlement to employer-paid PSMIP coverage. The official text of the waiver is available from the Insurance Section of the Superannuation Branch of Government Services Canada. Revocation of the waiver is subject to the approval of the Treasury Board.

If a manager who has waived his or her entitlement-paid PSMIP coverage, later wishes to revoke the waiver, the following conditions will apply:

a. where the waiver was exercised prior to September 11, 1987, the employer-paid insurance will be reinstated on the second anniversary of the date the manager's request for revocation was received by the Secretary of the Board of Trustees; or
b. where the waiver was exercised on or after September 11, 1987, the employer-paid insurance will be reinstated on the fifth anniversary of the date the manager's request for revocation is received by the Secretary of the Board of Trustees.

7. Termination of entitlement to employer-paid insurance

Where an employee entitled to the EX employer-paid coverage moves to a position where he or she is not entitled to this coverage:

a. employer-paid Basic Life, Accidental Death & Dismemberment (AD&D), and Dependants' Insurances cease immediately, and the employer premiums payable for these lines also stop immediately;
b. employee-paid Basic Life, Supplementary Life, AD&D and Dependants' Insurances commence immediately and the employee premiums for these insurances begin on the first of the month following the date of change;
c. the employee assumes the normal employee share of premiums for Long-term Disability insurance, where he or she has this coverage, effective the first of the month following the date of change; and
d. where the employee had previously enjoyed both employer-paid Basic Life of two-times salary and Supplementary Life equal to salary, the employee may, within 31 days of the date of change, convert the difference between employer-paid Basic Life and employee-paid Basic Life (one times salary) to a purely private policy with Industrial Alliance at commercial rates without proof of insurability (see Section 8 below).

8. Conversion privilege

8.1 General

Where members leave the Public Service by resignation or by retirement, life insurance coverage will cease immediately upon separation, subject to a 31-day extension period during which time they may obtain an individual life policy, including some types of term insurance regularly issued by Industrial Alliance, WITHOUT medical examination and regardless of their state of health. Such a policy may be for any amount not greater than the amount for which the member was last insured under the group policy and will be at Industrial Alliance's standard rates for attained age for the policy chosen and based on any special non-medical hazards (for example, aviation) to which the member is then exposed.

Insured dependants have the same conversion privilege as members. AD&D insurance ceases upon the termination of a member's employment in the Public Service.

8.2 Integration with Post-Retirement Life Insurance for Public Service managers

Members who are eligible for post-retirement life insurance (PRLI) on retirement, may convert to a private policy any amount of life insurance up to the difference between the amount they held while actively employed and the amount of their PRLI. Those who do so convert subsequently may convert to private policies the amounts by which their PRLI reduces after each of the first three years of retirement. This extended privilege ceases with the first decision not to exercise a conversion option.

For further details, interested employees should write with full particulars to the Assistant Manager, Individual and Group Life Claims, Industrial Alliance Insurance and Financial Services Inc., 522 University Avenue, Toronto, Ontario, M5G 1Y7.

8.3 Members of the House of Commons

The conversion privilege for Members of the House of Commons defeated in a Parliamentary Election must be exercised within 60 days of the date of the election. For Senators, the conversion privilege expires 31 days after resignation or retirement.

9. General information

9.1 Board of Trustees' review of individual cases

In addition to its administrative functions, mentioned in paragraph 2.2 above, the Board of Trustees has discretion to review individual cases with respect to applications for membership or claims under all categories of insurance.

It is expected that the employee will comply with all reasonable requests for information made by the insurer, and that the normal avenues of administrative review will have been tried before a case is referred to the Board of Trustees.

Recommendations for reconsideration of individual cases should be addressed to:

The Secretary
Board of Trustees of the Public Service Management Insurance Plan
5th Floor, West Tower
300 Laurier Avenue West
Ottawa, Ontario
K1A 0R5

10. References

10.1 Booklet

There are two PSMI Plan booklets, one for the Executive Group and other groups entitled to government-paid insurance, the other for the regular membership. These booklets outline in detail the benefit provisions of the plan. The appropriate booklet shall be provided to every eligible employee. The Management Category booklet (Stock Number 7610-21-893-6169) and the standard booklet (Stock Number 7610-21-893-6170) may be obtained from:

Capital Region Supply Centre
Government Services Canada
1010 Somerset Street West
Ottawa, Ontario
K1A 0T4

10.2 Bulletins

Bulletins concerning administrative procedures under the plan are issued periodically by the Compensation Directorate, Government Services Canada. These should be consulted in any instance where detailed information regarding administrative procedures on enrolment, leave without pay and other procedural matters are required.

Departments may obtain bulletins from:

General Distribution Section
Government Services Canada
Ottawa, Ontario
K1A 0S5

10.3 Audiocassettes

Bilingual audiocassettes of both booklets are now available on loan to visually impaired employees, from the Department of Finance and Treasury Board Secretariat.

Employees may borrow an audiocassette for three weeks, with extensions available, by making a request through their departmental library's interlibrary loan service.

Upon receipt of an employee's request, the departmental library should send an interlibrary loan request via ENVOY to: Library Services, Department of Finance and Treasury Board Secretariat of Canada, ILL.OFF, telephone 996-5493.

10.4 Administration Manual

Volume 2, Chapter 4 of the Insurance Administration Manual, published by Government Services Canada, provides details on administrative policies and practices under the PSMIP.

The manual may be ordered from:

Compensation Directorate
Government Services Canada
Hull, Québec
K1A 0S5

10.5 Application forms

Application cards for LTD insurance (Stock Number 7540-21-890-3870 for full-time employees, and Number 7540-21-890-0443 for part-time employees) may be ordered in accordance with the procedures described on page 190 of GSC's Stocked Item Catalogue.

Application cards for optional insurance (Stock Number 7540-21-859-4416 for full-time employees, and Number 7540-21-890-0444 for part-time employees) and Statement of Health forms (Stock Number 7540-21-849-7443) may be obtained from the Supply Centre mentioned in 10.2 above.

10.6 Claims

Claim forms are obtained directly from the Insurer at the time a claim arises. Claimants should write to:

Industrial Alliance Insurance and Financial Services Inc.
Group Administration Department
522 University Avenue
Toronto, Ontario
M5G 1Y7

Attention: Group Policy G68-1400

giving the member's or former member's name and employing department, as well as the nature of the claim.

Where a personnel office is advising a claimant on the amount of benefits which will be payable, particularly in respect of a deceased member of the plan, the Insurance Section of the Superannuation Branch, Government Services Canada, should first be consulted on the level of coverage in force, to ensure that the information provided is correct.

10.7 Cancellation

This chapter replaces chapter 1-1 of PMM Volume 16.

10.8 Enquiries

Enquiries concerning general interpretations, administrative practices, or individual cases should be directed to:

Insurance Section
Superannuation Branch
Government Services Canada
Moncton, New Brunswick
E1C 8Z5

Enquiries or suggestions related to policy should be addressed to:

The Secretary
Board of Trustees of the Public Service Management Insurance Plan
5th Floor, West Tower
300 Laurier Avenue West
Ottawa, Ontario
K1A 0R5

Appendix A

Public Service Management Insurance Directives

Short title

1. These Directives may be cited as the Public Service Management Insurance Directives.

Interpretation

2. (1) In these Directives,

associate member
means a person described in subsections 7.(3), (4), (5) or (6) who has joined the Plan; (membre associé)

department
has the same meaning as in the Public Service Superannuation Regulations; (ministère ou département)

deputy head
means the deputy head of a department, a person having by law the status of a deputy head and the chairperson, president or other chief executive officer of a portion of the Public Service other than a department as defined for the purposes of the Public Service Superannuation Act (PSSA); (administrateur général)

designated officer
means the person designated by the appropriate deputy head to perform the functions described in subsection 8(2) and section 9; (agent désigné)

effective date
for joining the plan means:

a. with respect to employees of any board, commission, corporation or other portion of the Public Service specified in Schedule I of these Directives, the date on which it is so specified;
b. with respect to part-time employees, September 1, 1982; and
c. with respect to any other employees, November 1, 1970; (date d'entrée en vigueur)

employee organization

has the same meaning as in the Public Service Staff Relations Act (PSSRA); (association d'employés)

insurers

means the insurance company with which a contract of insurance has been entered into in accordance with paragraph (4)(1)(b); (souscripteurs)

member

means a person described in paragraphs 7(1)(a), (b), (c), (d) or (e) who has joined the Plan; (membre ou adhérent)

Minister

means the President of the Treasury Board; (Minister)

part-time employee

means a person who is not required pursuant to paragraph 5(1)(c) of the PSSA to contribute to the account established by that Act and known as the Superannuation Account; (employé à temps partiel)

pay agency

in relation to a person who has authorized the payment of premiums pursuant to these Directives, means Government Services Canada or the agency, office or person that is charged with the duty, or that performs the function, of paying remuneration to that person; (organisme payeur)

Plan

means the Public Service Management Insurance Plan (PSMIP) established by the policy; (Régime)

policy

means the contract of insurance entered into with the insurers by the Board of Trustees in accordance with paragraph 4(1)(b); (police)

salary

has the same meaning as in Part II of the PSSA, except that for a part-time employee it means the full-time salary for his or her occupational group and level reduced in proportion to the relationship his or her assigned hours of work bear to the normally-scheduled full-time hours of work for that group; (traitement)

seasonal employee

means a person who is appointed

a. in accordance with the Public Service Employment Act (PSEA) as a seasonal employee, or
b. to perform duties for a period of less than twelve months in successive years of employment,

but does not include a person who is appointed as a teacher at a school established under

1. the Indian Act, or
2. an ordinance of the Government of the Northwest Territories; (employé saisonnier)

separate employer

has the same meaning as in the PSSRA; (employeur distinct)

Superannuation Branch

means the Superannuation Branch of Supply and Services Canada; (Direction des pensions de retraite)

Trustees

means the Board of Trustees appointed by the Treasury Board, by T.B. Minute 676021 of January 17, 1968 and includes any person appointed by the Treasury Board to the Board of Trustees in substitution for or in addition to any member thereof. (fiduciaires)

(2)(a) In sections 3, 4, 9 and 10, a reference to a "member" includes "associate member".

(b) In these Directives, any person referred to in subsections 7(3), (4), (5) or (6) is deemed to be an employee of the Government of Canada.

Premiums

3. (1) In calculating the premiums payable pursuant to Schedule II, the salary of a member, if it is not a multiple of $250, shall be deemed to be the amount above his or her salary that is the nearest multiple of $250.

(2) Where the calculation of a premium payable pursuant to Schedule II results in a fraction of a cent, that fraction shall be rounded to the nearest cent, with fractions of one-half being taken as one cent.

Duties and functions of Trustees

4. (1) The duties and functions of the Trustees are to implement the Plan and to supervise its administration and, in the discharge of these duties and functions, the Trustees shall:

a. select one or more insurance companies as underwriters of the Plan;
b. enter into a contract of insurance with the insurance company or companies selected in accordance with paragraph 4(1)(a) to provide life, accidental death and dismemberment insurance for members and their dependants, and long-term disability insurance for members upon such terms and conditions as the Trustees in their sole discretion consider appropriate and may, with the concurrence of the Treasury Board conclude agreements to amend or modify a contract entered into with the insurers, or terminate such a contract;
c. review, and, if satisfactory to them, approve all promotional and informational material prepared by the insurers of the Plan;
d. from time to time, review the experience of the Plan, make annual reports on the Plan to the Treasury Board and to each member and make such other reports to the Treasury Board as the Trustees consider desirable for the purpose of improving the Plan; and
e. consider and deal with such other matters as may from time to time arise out of the administration of the Plan and the disposition of claims thereunder.

Secretary

5. (1) An officer designated by the Treasury Board shall act as Secretary of the Trustees.

(2) Deputy heads shall provide such assistance as may from time to time be required by the Trustees in the discharge of their duties and functions under these Directives and in the administration of the Plan.

Trustees expenses

6. The expenses incurred by the Trustees in the discharge of their duties and functions under these Directives shall be charged to the departmental administration vote of the Treasury Board.

Eligibility

7. (1) Subject to this section, any person who is:

a. appointed by the Governor in Council, except a person who is provided by another authority with types of insurance similar to any of those available under the Plan;

b. appointed pursuant to section 39 of the PSEA as a member of a Minister's exempt staff;
c. identified by the Treasury Board, or a separate employer, or an employer specified in Schedule I, as a person employed in a managerial or confidential capacity;
d. employed by or under the Public Service Staff Relations Board; or
e. employed in a portion of the Public Service of Canada specified in Part III of Schedule I;

and who is employed in a continuing position for an indeterminate period or for a term in excess of six months, is eligible to apply to join the Plan.

(2) A person referred to in paragraphs 7(1)(b), (c), (d), or (e) who is not employed in a continuing position for an indeterminate period, or for a term in excess of six months, is eligible to apply to join the Plan upon the completion of six months of continuous employment.

(3) The Governor General of Canada, every Lieutenant-Governor of a province, every Member of the Senate who has not attained seventy-five years of age and every Member of the House of Commons is eligible to join the Plan.

(4) Every person who is a judge as defined in the Judges Act is eligible to join the Plan other than in respect of long-term disability insurance under the Plan.

(5) Every person who is employed at Deer Lodge Centre who had joined the Plan immediately prior to such employment and who is a contributor under the PSSA is eligible to continue to be an associate member of the Plan.

(6) Every Elected Member of the Legislative Assembly of the Northwest Territories or the Yukon Territory is eligible to join the Plan.

(7) A person described in subsection (1) or (2) who became or becomes employed in the Public Service of Canada after the effective date for joining the Plan is required to join the Plan in respect of long-term disability insurance under the Plan.

(8) No person is eligible to join the Plan if he or she is:

a. an employee locally engaged outside of Canada;
b. a seasonal employee;
c. employed for a term of six months or less and has not completed six months' continuous service; or
d. assigned to work one third, or less than one third, of the normally-scheduled hours of work for a full-time employee in the same occupational group.

(9) A person described in paragraphs 7(8)(c) or (d) who subsequently becomes eligible to join the Plan is required to join the Plan in respect of long-term disability insurance under the Plan.

(10) A person eligible to join the Plan for whom the Treasury Board, or an employer specified in Part II of Schedule I, has undertaken to pay to the insurers the total premiums required to provide that person with life insurance, accidental death and dismemberment insurance, dependants' insurance and post-retirement life insurance under the Plan, shall be deemed to be a member of the Plan.

Application to join the Plan

8. (1) An application to join the Plan or to modify existing insurance coverage under the Plan shall be:

a. made in writing in a form approved by the Trustees;
b. signed by the person making the application; and
c. sent by mail or delivered to the designated officer together with a Statement of Health where required under the policy.

(2) The designated officer shall ascertain whether a person who applies to join the Plan is, subject to the submission of a Statement of Health satisfactory to the Insurers, eligible to join the Plan and, if that person is eligible, the designated officer shall:

a. certify on the application the date on which that person became eligible to join the Plan and the date on which the application was received;
b. forward the application to the Superannuation Branch including where the commencement of premium deductions is deferred in accordance with subsection 9 (3);
c. where a Statement of Health has been submitted, forward the statement to the Superannuation Branch.

Deduction of premiums

9. (1) Subject to section 13, upon receiving an application certified in accordance with subsection 8.(2), the pay agency shall:

a. deduct monthly from the remuneration payable to a member, an amount equal to the monthly premiums payable by the member under the policy, the first of the monthly deductions to be made in respect of the month immediately following the month in which the application is received by the designated officer; and
b. forward the application to the Superannuation Branch.

(2) Subject to section 13, upon being notified by the designated officer that a person is required to join the Plan in respect of long-term disability insurance under the Plan, the pay agency shall deduct monthly from the remuneration payable to that person, an amount determined in the manner set out in Column 1 of Schedule II, the first of the monthly deductions to be made in respect of the month following the month in which that person was required to join the Plan.

(3) Where a person states in an application to join the Plan that he or she has prepaid insurance coverage under a group insurance plan of an employee organization or under a group insurance plan in which eligibility to become a member was limited to persons employed in the public service, the first of the monthly deductions referred to in subsection (1) shall be made in respect of the month following the month during which it is stated in the application that the prepaid insurance coverage terminates.

(4) Notwithstanding subsections (1) and (2), where the designated officer discovers that, due to administrative error or oversight, the pay agency has not deducted the amount referred to in subsection (1) or (2) or both, the pay agency shall make such deductions with effect from:

a. the first day of the year in which the oversight or error was discovered, or
b. the month determined in accordance with subsection (1) with respect to the amount payable by a member, or the month determined in accordance with subsection (2) with respect to the amount payable by a person required to join the Plan in respect of long-term disability insurance under the Plan, whichever is later.

(5) The deductions made by the pay agency pursuant to subsection (4) shall be made in equal amounts for a period equal to the period with respect to which the deductions are being made.

Superannuation Branch

10. (1) The Director of the Superannuation Branch shall:

a. forward to the insurers any Statement of Health received by the Superannuation Branch from the designated officer;
b. ensure that the monthly premiums payable by a member are in accordance with the policy; and
c. perform such other functions with respect to the administration of the Plan as the Trustees may from time to time request.

Payments to the insurers

11. (1) Subject to section 12, the Minister shall pay monthly to the insurers, in respect of

every month during which the Plan is in effect,

a. an amount equal to the amount determined by the Minister, in the manner set out in Column II of Schedule II, to be the share of the Government of Canada of the long-term disability insurance premiums to be paid under the Plan for that month in respect of its employees;
b. an amount equal to any amount deducted pursuant to section 9 in respect of its employees;
c. an amount equal to the amount remitted pursuant to subsection 13(4) by its employees; and
d. an amount equal to the amount determined by the Minister, in the manner set out in Schedule III, or as otherwise prescribed by the Treasury Board, to be the premiums payable by the Treasury Board in that month in respect of the insurance provided to each person described in subsection 7(10).

Payments by participating employers

12. (1) The deputy head of a board, commission, corporation or other portion of the Public Service of Canada specified in Part II of Schedule I shall pay monthly to the insurers, in respect of every month during which the Plan is in effect,

a. an amount equal to the amount determined by the deputy head in the manner set out in Column II of Schedule II, to be the share of the said board, commission, corporation or other portion of the Public Service of Canada, as the case may be, of the premiums to be paid under the Plan for that month in respect of its employees;
b. an amount equal to any amount deducted pursuant to section 9 in respect of its employees;
c. an amount equal to the amount remitted pursuant to subsection 13(4) by its employees; and
d. an amount equal to the amount determined by the deputy head, in the manner set out in Schedule III, or as otherwise prescribed by the Treasury Board, to be the premiums payable by a board, commission, corporation or other portion of the Public Service of Canada specified in Part II of Schedule I in that month in respect of the insurance provided to each person described in subsection 7(9).

(2) For the purpose of this section, Deer Lodge Centre and the legislative assemblies of the Northwest Territories and the Yukon Territory are deemed to be portions of the Public Service of Canada specified in Part II of Schedule I.

Leave without pay

13. (1) Subject to this section, an employee who has joined the Plan and who is absent on leave without pay shall pay a monthly long-term disability insurance contribution equal to the total of the contributions determined in the manner set out in Columns I and II of Schedule II.

(2) Where:

a. an employee receives salary for a portion of any month that he or she is absent on leave, or
b. an employee is a member described in sub-section 7(10) of these Directives, or
c. a deputy head certifies to the pay agency that an employee is absent on leave without pay,
    i. for the purpose of undergoing training or instruction to the advantage of Her Majesty,
    ii. because of illness or disability,
    iii. maternity reasons,
    iv. because of paternal responsibilities for the purpose of caring for the employee's child,
    v. because of parental responsibilities for the purpose of caring for a child for which the employee accepts custody for adoption,
    vi. because of personal needs for a period not exceeding three months, and the leave was approved by the appropriate authority as leave for personal needs,
    vii. for the purpose of serving on a commission established under the Inquiries Act or a federal board or agency that is an agent for Her Majesty in right of Canada, or
    viii. for the purpose of serving with the Canadian Forces,

the amount of the contributions required to be paid by that employee shall be an amount as determined in the manner set out in Column I of Schedule II.

(3) The contributions required to be paid by an employee described in subsection (1) or (2) shall be paid by the reservation of equal amounts from the employee's salary for a period equal to the period during which the employee was absent on leave without pay, commencing upon the expiration of the leave of absence.

(4) Notwithstanding subsection (3), where an employee is absent on leave without pay and

a. is serving as a full-time paid official of a Public Service employee organization, or
b. is serving as a full-time paid official of a credit union,

the employee shall pay the contributions required to be paid by him or her at such time and in such manner during the course of the leave of absence as the Minister may prescribe.

(5) An employee who becomes entitled to the disability benefits prescribed under the policy while absent on leave without pay is not required to make the contributions referred to in subsection (1) or (2) in respect of any period of leave without pay during which he or she is in receipt of such benefits or during the qualifying period for such benefits.

Insurance

14. Every employee who pays the contributions required by these Directives, and every employee on whose behalf contributions are paid in accordance with paragraphs 11(1)(d) and 12(1)(d) is, subject to the terms and conditions of the policy, entitled to the benefits provided by the policy.

Schedule I

Participating Employers in the PSMIP

(in alphabetical order)

Part I

House of Commons
Indian Oil and Gas Canada
Library of Parliament
Office of the Correctional Investigator
Senate

Part II

Atlantic Pilotage Authority
Canada Deposit Insurance Corporation
Canada Ports Corporation
Canadian Centre for Occupational Health and Safety
Canadian Commercial Corporation
Canadian Council of Environment Ministers
Canadian Film Development Corporation
Canadian Museum of Civilization
Canadian Museum of Nature
Government of the Northwest Territories
Government of the Yukon Territory
Halifax Port Corporation
Heritage Canada
International Development Research Centre
Laurentian Pilotage Authority

Montreal Port Corporation
National Battlefields Commission
National Gallery of Canada
National Museums of Science and Technology
Pacific Pilotage Authority
Parliamentary Centre for Foreign Affairs and Foreign Trade
Prince Rupert Port Corporation
Quebec Port Corporation
Royal Canadian Mint
St. John's Port Corporation
Saint John Port Corporation
Standards Council of Canada
Vancouver Port Corporation

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